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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Outgoing
C0150019
#3594
OK

July 26, 2010

Kenneth Fleck
Geology and Environmental Affairs Manager
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Authorization to Proceed with Phase II and Phase III Bond Release of the Cottonwood/Wilberg Miller Canyon Portals, PacifiCorp, Cottonwood/Wilberg Mine, (Permit #C/015/0019 & Task ID #3594), Outgoing File

Dear Mr. Fleck:

The Division has completed a review of the information you submitted on July 19, 2010. This application is considered to be administratively complete.

A technical review of your application has been initiated. Technical deficiencies will be forwarded to you as reviews are completed. The Division will also coordinate with other agencies and incorporate their comments into our review process. Issues raised will need to be resolved prior to permit issuance.

At this time you should publish a Notice of Complete Application for Phase II and Phase III bond release of the Miller Canyon Portals in the Cottonwood/Wilberg Mine as required by R645-301-880. You should also insure that a copy of the application is on file at the appropriate County Courthouse. We will also be contacting you to schedule a bond release inspection. Please call Ingrid Campbell at 801-538-5318 or myself at 801-538-5325 if you have any questions.

Sincerely,

Daron Haddock
Permit Supervisor

DRH/IC/sqs
Enclosure

cc: Price Field Office
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**Application for Phase III Bond Release
Cottonwood/Wilberg Mine
Miller Canyon Portal Breakouts
C/015/0019
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company ("Energy West") as mine operator, has filed with the Division of Oil, Gas and Mining an application for Phase III Bond Release for the Miller Canyon portal breakouts of the Cottonwood/Wilberg Mine.

The Miller Canyon breakouts are located in the NW1/4 SE1/4 of Section 30, Township 17 South, Range 7 East, SLB&M and within United States Forest Service Lands. PacifiCorp is the sub-leasee for Federal Coal Lease (U-083066) to conduct underground mining operations. Mining in this area is no longer being conducted in this area. Total disturbance associated with the ventilation breakouts is approximately 0.02 acres.

The Miller Canyon ventilation breakouts consisted of three separate portals located on the western side of East Mountain. The portals were developed in the coal outcrop and talus deposits on a vertical cliff face. As part of PacifiCorp's enhancement project, rock and aesthetically appealing materials were strategically placed along the coal outcrop area to blend the portal site to the surrounding terrain. Ground water discharges that occur from the portal area have been monitored according to the approved plan and Utah Pollution Discharge Elimination System guidelines. Seeps are common along the cliffs in this area.

On June 25, 1999, Energy West completed final reclamation of the portal sites as specified in the approved plan. Reclamation activities consisted of reconfiguration of the landscape to be consistent with the surrounding environment. Phase I bond release was approved on June 21, 2002.

A Surety bond is posted with the Division for the Cottonwood/Wilberg mine in the amount of \$3,252,000.00. PacifiCorp is requesting Phase II and Phase III release of reclamation liability. Bond reduction is not requested at this time.

A copy of the Phase III Bond Release application may be examined at the office of the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801 and also at the Records Office located in the Emery County Courthouse in Castle Dale, Utah. Written comments, objections, or requests for an informal conference may be submitted to the Division of Oil, Gas, and Mining address above. Said comments must be submitted thirty (30) days from the date of the last publication of this notice.

This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.

Published in the Emery County Progress for four consecutive weeks beginning August xx, 2010.